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MESSAGE

of

Governor John W. Bonner

to the

Thirty-second Legislative Assembly

of the

STATE OF MONTANA

1951

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GOVERNOR'S MESSAGE

Mr. President, Mr. Speaker and Members of the Thirty-second Legislative Assembly:

It is my destiny, and your destiny, to meet here as Governor and members of the Thirty-second Legislatative Assembly at a time when our great state and nation are beset with some of the greatest difficulties, from a security and economic standpoint, in their great respective histories. It is necessary that we make every effort to insure our security against foreign aggression and it is just as necessary that we do everything possible in order to insure our economic and financial stability also, because if we do not, we will disintegrate, and, in reality, be conquered from within.

These are not times for idle words. These are times that require action, because, literally speaking, our backs are against the wall. Now is the time that we must conscientiously take inventory of the basic rights which we have as American citizens and assume our responsibilities as citizens in order to maintain these rights. And, unless we carry out these responsibilities, we are apt to lose every right we now enjoy.

As public officials, we are charged with more than just maintaining the status quo; we must use all our ability, avail ourselves of every opportunity, and set as our goal, continued progress which will assure our people a state government attuned to the needs of the day; recognizing, however, the need for economy and retrenchment.

Due to the added cost of our military efforts in order to secure this nation from its ememies, unnecessary expenditures should not be made at this time.

In state finances, we must forecast for twenty-four months in advance; that is, for the biennium beginning July 1, 1951 to June 30, 1953. State revenue can not be forecast accurately and with assurance except as based upon your opinion as to economic trends. Volume of business, the scale of prices, wages and living costs, a careful analysis of the number of anticipated recipients under our Welfare Act, and a careful study of anticipated income, as well as anticipated expenditures, all enter the situation which you will face. And only if you make such careful analysis and study, can so-called

deficit financing be avoided. Where the law requires duties to be performed, such duties must be performed, especially where they effect the welfare of persons such as the needy aged, neglected children, the needy blind and silicosis sufferers, even though the appropriations be not adequate.

We are in a war whether it be a formally declared war or not. The casualties suffered by our brave men vividly show this to be a fact. At the present time, our known casualties in Korea are the fourth highest in our history. Only in World War II, World War I and the Civil War have we suffered more casualties.

It is about time we realize the grave situation that confronts us and in order for us to fulfill our responsibilities on the home front, we should, among other things, do everything possible to attain this objective, having in mind the welfare of the veteran and his dependents — especially giving to the Korean veteran and his dependents the same rights as those given to our veterans of other wars, and enact legislation which will give us an adequate civil defense program and a home-guard, in the event our national guard is called to active service.

As I stated, we are meeting at a most serious time. The future is before us. With our great state and nation, with our great people and our great resources, we have nothing to fear if we perform our respective duties as a team, with the preservation of our state and nation uppermost in mind. No prejudice should thwart our purpose, no bias should encumber our judgment, and no personalities should becloud our vision, or hamper our endeavors. Petty political bickerings should not exhaust our energies which are now so sorely needed for the welfare of our state and nation.

STATE GOVERNMENT

The growth of public service performed by state governments, has assumed phenomenal proportions. The cost of these services, as far as state costs are concerned, is amazing. In 1913 the states of the United States, collected a total of 345 million dollars; by 1942 this sum had reached 6.1 billion dollars and by 1949 amounted to 11.0 billion dollars, equivalent to more than 31 times the revenue collected in 1913. One of the real causes for such tremendous financial costs has been the rapidly changing nature of our industrial and social structure. Statistics show that from 1942 to 1949, the cost of general state operations over the United States — aside from capital outlay and aid to local governments — grew from 1.9 billion dollars to 4.9 billion dollars, or 157.9%. State aid to local

governments during this period, climbed from 1.8 billion to 3.5 or 94.4%.

It is interesting to look over a half century of our state government. During the first half of the present century, the population of Montana has more than doubled, increasing from 243,329 in 1900 to 591,024 in 1950, according to preliminary census figures. Yet in that same time-span, the expenditures of state government have increased from $371,500 (1900 legislative appropriation) to $70,996.586 for the fiscal year ending June 30, 1950. (1951 Legislative Budget.)

On a per capita basis the sums spent by the state government have risen from approximately $1.50 per inhabitant in 1900 to more than $119.00 Last year.

This vast increase in the expenditures made by the state has been due in part to the pronounced change in the price structure of the nation. Yet the most important factor has been the number of services performed by the state. A comparison of the number of state boards, bureaus and departments existing in 1900 and the number existing at successive decades thereafter illustrates the extent of that expansion.

The turn of the century found the State of Montana with seven elective offices, thirteen major administrative boards, bureaus and departments, four educational institutions, six custodial institutions, seven minor state departments and three examining and licensing boards, or a total of forty units of the executive branch of government. In the succeeding years, the total number grew to sixty-one in 1910, eighty-five in 1920, eighty-nine in 1930, one hundred and seven in 1940, and one hundred and twenty in 1950. The 1950 total involves eight elective offices and boards, forty major boards and departments, six educational institutions, ten custodial institutions, including the home for the aged, thirty-four minor state agencies and twenty-three examining and licensing boards.

On December 1st, 1950, Montana had 6,899 employees. (This figure includes all elective and appointed officials.)

This mere enumeration of the number of separate state agencies does not in itself clearly portray the full extent of the enlargement of government activities. Even more important has been the activities and expenditures of individual agencies. Thus, the State Board of Health, which did not even exist as a governmental agency in 1900 presumably represents the addition of only one unit. Yet in 1950, the Health Board was sub-divided into more than a dozen departments, each of which by 1900 standards would surely have been classified as a major state agency.

The State Board of Equalization, which in 1900 was an ex-officio body meeting only occasionally for state assessment purposes, now comprises seven departments responsible for the collection of more than 20 million dollars in special license taxes which, with the exception of the inheritance tax, were not even thought of in 1900.

By 1900 standards, $20,000,000 would have financed state government for more than 50 years.

Thus, a cursory check of the 1950 state governmental structure shows not only 120 separate departments, but more than 70 subdivisions of departments.

It is true that more than fifty of the existing state agencies are for the examining and licensing of applications for admission to certain regulated professions and occupations. Many of our departments duplicate the work of others. The fact that Montana now has at least sixty-four major branches of government is indicative of the need for an improved governmental structure. Many of these departments have been added with little thought as to their proper location from an administrative viewpoint. The need for fewer divisions of government and better alignment of functions seems to be as urgent in Montana as it is in other states and in federal activities.

We certainly do not want to curb education, public health, mental health, assistance to the needy aged, the neglected children, the needy blind, silicosis payments, workmen's compensation, unemployment compensation insurance, highways, or other needs or services which are now recognized as essential under our laws, or will be recognized as essential under future laws. However, in order to bring about economy and efficiency in state government in administering these laws and to eliminate, as much as possible, further taxation, the time has come when we must reorganize our state government as have some other states. Such a reorganization would permit us to better utilize state governmental service and eliminate waste of public funds wherever occuring, because of lack of reorganization.

I therefore recommend and urge a complete reorganization of the administrative machinery of the state government. It is of the greatest importance to the citizens of our state. It represents a challenge and a grave responsibility. The responsibility is to make certain that we are performing public service in a manner that is most efficient, economical and productive. We all realize that no government is perfect and, therefore, it is always subject to improvement and change. It is our duty, under present conditions, if we are to eliminate unreasonable taxation, to strive diligently to improve

our existing structure of government at all levels and the time has arrived when we will have to begin work in this respect.

I do not believe in bringing in outsiders to tell us how to run our state government. I recommend that this Legislature create a committee on reorganization of the state government, with power and authority to study and formulate a program to present to this Legislature; and, if necessary, to present to the next Legislature, a program which will consolidate departments, eliminate duplications of service, and to include in such program all other things, which in the opinion of the committee will bring about economy and a more efficient state government. This committee should be given an adequate appropriation to carry out its work.

STATE FINANCES

Unless we call a halt to duplication of duties, bring about consolidation of pertinent departments and practice economy wherever possible, it is obvious that we can not live within our income, no matter what new taxes are imposed upon our citizens. It is my policy to live within our income. If this income is carefully expended, I am convinced that — except for highways — our present revenues will adequately provide for the proper function of state affairs without additional new taxes.

We must see to it that our budget is kept balanced. We must see to it that the surplus in our General Fund is not used for operation, but for capital improvements only. And in making these capital improvements, we must keep a reasonable amount of money in the General Fund so that we will insure ourselves of not going into the red, as far as our state government is concerned.

If you see fit to increase the expenditures of state government, you should also consider the source of revenue or taxes to take care of these expenditures.

Montana tax laws have not been revised since 1921. It is my belief that the state's whole tax structure should be carefully reappraised in order that the tax burden be distributed fairly and equitably. I further recommend that you designate some appropriate state department, providing it with the necessary finances, to study Montana's tax structure and report its findings to the next Legislature.

On December 1, 1948, approximately a month before I took office, we had a balance of $8,993,592.89 in the General Fund.

Our state auditor has informed me that on December 1 of this year, we had a badance of $10,760,251.64 in the General Fund.

or an increase of $1,766,658.75 in the General Fund during the past two years.

Our total state funds invested on December 1, 1948, were $26,011,996.55. Our total state funds invested as of December 1st of this year, amounted to $57,269,676.02 including the 20 million dollars of money not immediately needed for operations. This represents an increase of invested state funds during the past two years of $31,257,679.47.

During the past year, we decreased state bonded indebtedness by $929,000.00 — or almost a million dollars.

While there was a substantial decrease in anticipated revenue from the beer, trade stimulator, cigarette licenses, inheritance taxes, liquor license taxes, natural gas taxes, oil production taxes and telegraph message taxes, yet the over-all increase of revenues during the past two years over and above anticipated revenue, according to our state accountant, amounts to $2,234,500.37.

When I took office January 1, 1949, the State Liquor Board had an inventory of $2,887.762.11. On December 1, 1950, it had an inventory of $3,992,635.85. The increased inventory, therefore, over and above the inventory which we had when I took office is $1,104,873.74. The liquor board informs me that it felt it was good business, in light of conditions, to increase its inventory and had this inventory not been increased, the General Fund would have been increased by approximately $1,100,000.00. It would have made the balance in the General Fund on December 1, 1950, $11,860,000.00, or an increase of $2,870,000.00 over the amount in the General Fund December 1, 1948.

We invested for the first time the sum of 12 million dollars, which represents money accruing in order to pay our highway debentures. These debentures bear an average rate of 1.85% interest. The money we invested bears us 2½% interest. In other words, this investment is giving us almost 1% interest over and above the interest we had to pay on the debentures which will inure to the people's benefit in the sum of approximately $78,000.00. Again, we have for the first time invested the Retirement Funds of the State Highway Patrol which bear a rate of 2½% interest per annum. This interest will add $2,750.00 to the Retirement Fund the first year. For the first time, we invested 20 million dollars of state monies not immediately needed for operations, in government securities which bear interest at 1.8%. The interest on this investment will amount to $216,000.00 the first year.

I believe our taxes have reached the ceiling of reasonableness. Therefore, I did not ask the State Board of Equalization to levy

the sum of 2 mills, or any part thereof, on property for the support of the General Fund, which the law permits. This saved the taxpayers $920,000 per year, or a total of $1,840,000 for the past two years.

It is thus obvious that at the end of the biennium, our budget will be more than balanced and it is now our duty to keep it balanced.

CIVILIAN DEFENSES AND HOME GUARD

In view of grave world conditions and of the possibility of invasion of this country, it is my belief that the communities of Montana should perfect comprehensive civil defense programs without delay. For the past nine months, I have been working with the Montana Disaster Council and am glad to report that an interim Civil Defense Plan has been prepared and adopted, and submitted to most of the communities of the state. Legislation is necessary to enable the state and the municipalities to take the action necessary to operate civil defense plans, which will contemplate the maximum utilization of state and municipal facilities, officials and employees.

I recommend the passage of a civil defense bill, including an appropriation sufficient to enable the State of Montana to prepare and put into operation an efficient civil defense program. I deem this necessary not only for the protection of the people and resources of this state, but also to enable us to plan assistance to neighboring states where possible attack may require the evacuation of large numbers of their citizens.

If our National Guard is called to duty, it is my opinion that we should have a Home Guard, and I so recommend.

I do not believe we should create any more departments and in the event you agree with me that we should have laws authorizing Civil Defense and a Home Guard, it is my recommendation that you place Civil Defense and a Home Guard under the Adjutant General's Department, or abolish that department and create instead a department known as the Defense Department which would include the National Guard, Home Guard, Civilian Defense and Disaster Council, all under the direction of the Adjutant General.

RE-APPROPRIATIONS

I recommend that you re-appropriate unexpended money on post-war planning as well as buildings and improvements not yet completed.

BUILDING PROGRAM

The women's dormitory, the recreation building, the bakery, the laundry building, the milking barn, the cattle sheds, the butcher shop, the commissary and the warehouse have been completed at Montana State Hospital at Warm Springs. We have let contracts for the remodeling of the children's building and the kitchen at this hospital.

We have awarded the contract for the Home for the Aged at Lewistown which will house 157 persons. The Board of Examiners, as directed by the last Legislature, selected the site for this home at Lewistown and the people of Lewistown, through voluntary subscription, purchased the site. This site has already been incorporated in the city limits of Lewistown which will give the home, when completed, police, water and fire protection.

We have let a contract for the Veterans-Pioneer Memorial Building located in Helena.

We have let contracts for a 24-unit employee apartment, a kitchen, a complete power plant and steam distribution system, a 90-bed dormitory for permanent employee-personnel, a sewerage disposal plant and a complete new wing for patients at our tubercular sanitarium at Galen. When these improvements are completed, we will, of course, have more bed space and that will enable our Indian citizens to receive treatment.

The new office building at Helena has been completed.

We have awarded a contract for the construction of a new garage and storage shed, as well as additional facilities for the irrigation system for the farm at our Soldiers' Home at Columbia Falls.

All improvements authorized by the last Legislature have been completed, or are in the process of construction except construction under the five million-dollar bond issue for the units of the Greater University of Montana. This construction has been held up because of a controversy between the Board of Education and the Board of Examiners.

NEEDED BUILDINGS

Bearing in mind that we should not make unnecessary expenditures at this time, I have investigated the needs for improvements at our state institutions and after such investigation and after keeping such improvements to the minimum, I urge that you appropriate sufficient funds for our state institutions as hereinafter set forth.

In my judgment, and in the judgment of all those who have studied and are familiar with these institutions, the proposed improvements are vitally needed and should not be delayed, because delay in their construction or procurement will cause irreparable injury and hardship to those who are cared for by these institutions.

The cost for these recommended improvements can well be taken out of our General Fund, which will entail no additional tax to our citizens and will, at the same time, in my judgment, leave a sufficient balance in the General Fund to insure the continuance of a balanced budget for our state.

There are approximately 1,900 patients at our state hospital. The greatest needs for the hospital are another X-ray, a receiving ward of modern, fireproof construction to house 125 patients and a new dormitory building to house 125 patients. These buildings should be of two-story design to eliminate the necessity of removing roofs, extending elevators and so forth when expanded needs demand additional space. These are immediate needs and will cost approximately $1,597,000.

The State Tubercular Sanitarium at Galen with a daily average attendance of 110 people, is in need of more buildings for employee-personnel, improvements to the grounds and hospital, in an amount of approximately $500,000.

The School for the Deaf and Blind at Great Falls has an attendance of 91 Montana children whose hearing or vision prevents them from making satisfactory progress in public schools.

A new boiler house, apart from the school building, and additional storage space is needed. This will entail a cost of approximately $75,000.

The State Vocational School for Girls at Helena has an attendance of 42 girls. The immediate needs of this school are: Replacement of the roofs of the main building and the gymnasium, the construction of a boiler room, construction of a water tower and necessary piping to provide aedquate fire protection and water storage for the school. This will entail a cost of approximately $106,-125.00.

The State Orphans' Home at Twin Bridges has 104 children in attendance. The immediate needs of this school are: A sewerage disposal plant, water mains, sidewalks and electrical wiring, all of which will total approximately $105,258.83.

The State Industrial School has an attendance of 130 boys and is in need of a school building and more dormitory space which will entail an expenditure of approximately $640,000.

More dormitory space is needed at our Soldiers' Home. Investigation discloses that a new building, costing approximately $80,000 would go a long way in solving the housing problem at our Soldiers' Home at Columbia Falls.

You realize, and I realize, that the 3,545 people in our state institutions can not be cured or rehabilitated or properly cared for by brick and mortar alone. At the same time, the most skillful doctors, nurses, attendants and teachers are severely handicapped if they must administer to people who are housed in crowded quarters which are inadequately designed, constructed and maintained.

We have been progressing well in taking care of our institutions and I know that you will agree with me that we should continue this progress without hesitation.

PUBLIC SCHOOLS

We have made notable progress with our public schools and the Equalization Law, passed by the last Legislature, contributed substantially to this progress. However, we have not solved our public school problem, which is to make our public schools superior from kindergarten through college and I ask that you give careful consideration to all proposed legislation which will benefit our public school system.

CONSERVATION-EDUCATION

Because Conservation Education is basic to our democratic public school system, I recommend that adequate funds be provided for the stimulation and promotion of this type of education in our public schools and in our higher public educational institutions.

UNIFORM LAWS

The State Commission on Uniform Laws was created by Chapter 175 of the Session Laws of 1945. The statute provides, in part, that the commission report to each regular session of the Legislature and make recommendations for legislation and to "Bring about, as far as practicable, the uniform, judicial interpretation of all uniform laws." Unfortunately, the commission has never been provided with funds to defray its expenses or the expenses of individual commissioners in attending meetings of the national conference. Thus, the commission has operated under a serious handicap in the performance of its intended functions. I, therefore, recommend that you give this commission a sufficient appropriation in order to finance its work on uniformity of the laws because this is a matter which is vital to this state and its citizens.

SEPARATE DEPARTMENT OF LABOR AND INDUSTRY

In accordance with the referendum approved by the people at the last General Election, I recommend and urge that you pass appropriate legislation together with an adequate appropriation in order to establish an efficient Department of Labor and Industry which will be enabled to carry out the responsibilities expected of it by the people.

SILICOSIS PAYMENTS

In light of the high cost of living, I recommend that you substantially increase silicosis payments.

PUBLIC WELFARE

We all recognize that it is our duty to adequately care for the needy aged, the blind and neglected and dependent children so that they may live in decency. It is obvious to everyone of us that the increased living costs have far offset increased payments, and I therefore recommend that you carefully examine the situation affecting these worthy beneficiaries of state assistance and enact appropriate legislation which will substantially increase their monthly allowances. At the present time, their allowances are far from adequate and therefore should be given special attention.

During the past two years, because of increased payments to the aged, Montana has jumped from 23rd to 11th place in the nation, as far as these payments are concerned. However, when the last Legislature considered the appropriations for the needy aged, the blind and the neglected children, it evidently did not anticipate 1,359 additional persons who subsequently were placed on the rolls as recipients.

The Welfare Department asked the last Legislature for $4,433,650 for each year and received $4,180,480 for each year — a reduction of $253,170 each year, which, if granted, would have eliminated any deficiency which may exist at the end of this fiscal year and which would also have eliminated any decreases in grants which have been made.

During last winter, when we had severe storms in our northern tier of counties, many Indian children were placed on the rolls as neglected children and it was determined by the Welfare Commission, upon my recommendation, that there would be no discrimination as to payments. Furthermore, because of the high cost of living, and in accordance with the Attorney General's opinion, in which

I fully agree, standards were raised for the recipients. However, in order to take care of those qualified to receive assistance and in order to give an amount which would permit them to live in as much decency and comfort as possible, we may have a deficiency. For this deficiency, in the event it occurs, I do not apologize for the simple reason that, as I said, I believe it is our duty to adequately care for the needy aged, blind and dependent children.

AID TO THE BLIND

In order to help our needy blind, I recommend that they be allowed up to $50.00 earned income, exclusive of their needs, under House Bill 6000 United States Congress, and I urge that you pass legislation to this effect.

WORKMEN'S COMPENSATION

In light of the high cost of living, I recommend most earnestly that consideration be given to liberalizing the Workmen's Compensation Act.

I also recommend, as a means of employing physically handicapped workers, and especially veterans, that consideration be given to a second injury law.

UNEMPLOYMENT COMPENSATION

Because of the present high cost of living, the reconversion to war industries and the high seasonability of our employment, I recommend that our Unemployment Compensation laws be carefully reviewed to the end that they reflect these conditions.

VETERANS

Montana is proud of its veterans and dependents and in order to show our appreciation, we want to do everything we can to give them a chance to make a decent living and to establish themselves in their respective communities. In order to accomplish this, worthy legislation concerning them should always be carefully considered.

In order to help insure the education of children of veterans killed in action or who died of disease in World War II, I recommend that money be reappropriated to give those children free tuition at any of our Montana public educational institutions, as authorized by the law passed during the last Legislature. I also ask that this law be amended to give children of veterans killed in action or who died of disease during the Korean conflict, free tuition at any

of our public educational institutions, with an adequate appropriation to carry out the intent of the amendment.

I again recommend, that in order to aid veterans, you enact a second injury law, under our Workmen's Compensation Act.

I also recommend that you give serious consideration to appropriations asked for by the Veterans Welfare Commission.

Dependents of servicemen should be provided with adequate means whereby they can live in comfort and decency. They are entitled to the same stanadrd of living as the dependents of a man who has been deferred for work in an essential war industry or who is permitted to lead a normal life amidst increased wages and salaries, on account of national emergencies or war.

I therefore recommend that you memorialize Congress to pass legislation which will bring about this objective and that such legislation provide that such payments begin immediately when a person enters the military service of his country.

The foregoing constitute matters which I deem essential at this time in order to help the veterans and their dependents, and, undoubtedly, many other worthy measures will be presented to you by the veterans and their dependents for your consideration, and I urge that you give these proposed measures your utmost consideration.

HIGHWAYS

Our highway situation in Montana is serious. Something must be done by this Legislature if we are to save what highways we have and to have an adequate program of highway construction in this state. I think it is obvious to all that the people of Montana want action now on our highway program.

It is the policy of the State Highway Commission, regardless of present conditions, to construct necessary highway projects whenever authorized to do so by the United States. With this policy, I agree because highways are essential to the defense of this nation, and we should, therefore, construct as many projects as possible.

Farm-to-market roads are essential in this state and I recommend that you give these roads your utmost attention with the view of inaugurating a real program of farm-to-market roads in this state.

It should be remembered that in time of disaster, most of our counties do not have the money in order to keep their roads clear of snow. During the winter of 1949, although the United States gave us $40,000.00, our Highway Commission was forced to expend

$40,000.00 of its own funds in order to keep county and farm-approach roads open. During the winter of 1950, again, even though the United States gave us $105,000.00, the Highway Commission was forced to spend $278,000 in order to keep the county and farm-approach roads open. I cite you these figures so that you will be conversant with the fact that the State Highway Commission at times, is beset with problems other than those pertaining to highways under its immediate jurisdiction.

The Highway Commission, in conjunction with the Governor's Interim Highway Committee, states that it is necessary that we obtain a minimum of $9,000.000 if we are to take advantage of Federal Funds already available and which may be available and in order to have a real highway program.

Our present highway financial condition, as given me by the Highway Commission, is as follows:

	CONSTRUCTION FUNDS INVOLVED		
Uncontracted Balance Remaining	State	Federal	Total
Under 1944 Federal Aid Highway Act for Fiscal Years 1947, 1948, 1949	$ 204,000	$ 270,856	$ 474,856
Under 1948 Federal Aid Highway Act for Fiscal Years 1950 and 1951	7,711,000	10,301,170	18,012,170
Under 1950 Federal Aid Highway Act for Fiscal Years 1952 and 1953	9,496,000	15,734,378	25,230,378
Total Uncontracted Balance Through June 30, 1953 (Fiscal Year 1953)	$17,411,000	$26,306,404	$43,717,404

ESTIMATED REVENUE THROUGH JUNE 30, 1953

Estimated income from 1–1–51 to 6–30–53	$29,930,000*		
Less: Estimated expenditures from prior obligations such as maintenance, debt service, administration and other recurrent charges	23,719,000		
Estimated current revenue available for construction purposes through 6–30–53		$ 6,211,000	
Estimated balance in State Highway Fund as of January 1, 1951		2,200,000	
Total State Funds Available to Match Federal Aid Through June 30, 1953			$ 8,411,000*

ADDITIONAL STATE FUNDS REQUIRED

State funds required to match Federal Aid	$17,411,000
Less: Estimated funds available	8,411,000*
Additional State Funds Required	9,000,000
Approximate Amount Per Year	3,600,000

*Includes $1,750,000 of temporary revenue from Motor Vehicle Use Tax which expires December 31, 1951.

The status of construction projects at the close of the calendar year 1950 and dating back to January 1, 1949, is as follows:

Number of projects initiated	199
Number of contracts	191
Number of projects completed	258*

*—These 258 projects completed include hold-overs from the previous year.

Total construction amount for all projcets.. $24,961,101.10

During the last year, we have added the Sidney-Circle project and the East Shore-Flathead Lake project to our primary system.

It is estimated that tourists spent the sum of $70,727,327.00 this year in our state, and it is estimated that they will spend approximately $75,000,000 next year.

All in all, taking everything into consideration, it is evident that highway legislation, in order to provide the adequate funds for continued road construction is a *must* during this Legislature and I am sure that you will pass adequate legislation in order to insure a real highway program for Montana.

There are many ways, as you know, whereby additional revenue may be obtained, but I do not believe that any further tax or license should be placed on private passenger vehicles for the obvious reason that a further tax or license on such vehicles would not be equitable.

I also believe that the present use-tax on passenger vehicles is inequitable and I ask that it be abolished.

STATE HIGHWAY PATROL

Our State Highway Patrol is a very efficient organization. It is composed of high-calibre men and is a credit to this state. However, the salaries paid these patrolmen are grossly inadequate and I recommend that you seriously consider appropriations which will insure them salaries commensurate with the fine service they render to this state.

RURAL ELECTRIFICATION AND RURAL TELEPHONES

I believe we should do everything possible to aid Rural Electrification and Rural Telephones in Montana with the view of extending them whenever we can to every farmer and rancher in Montana.

INDIANS

Many problems confronting our Indians in Montana have not been solved. They have not been solved, in my opinion, because there has not been a concerted effort from a state level to present the facts clearly to the Indian Department and to the Congress of the United States, and to continually insist that these problems be solved.

Many persons in this state, including Governors and Members of Congress, and the Indians themselves, have sincerely tried to do everything possible in order to solve our Indian problems. However, in order to give our Indians the consideration they deserve and the help that they deserve in solving their problems, we should authorize some agency of our state government to handle Indian affairs and I recommend that you make such authorization. Indian problems are so numerous that they will require the full time services of a responsible person through the year to take care of them.

WATER CONSERVATION BOARD

One of the essential programs for Montana, is, of course, Reclamation. We must go ahead with this fine program and any adequate financial provisions which will permit the Water Conservation Board to proceed with its projects, merits, in my opinion, your serious consideration.

During the past two years, this Board has carried out to completion and initiated projects which will irrigate 25,100 acres of newly irrigated lands in Montana and a water supply for 35,500 acres which will be supplemental.

I know we all believe in small irrigation projects and we hope to continue our program through the Water Conservation Board in this direction, because irrigated lands mean everything to the prosperity of our ranchers and farmers in this state.

WATERS

Our policy has been and is now, Montana waters for Montana people, with the safeguarding of all water rights. Persuant to this policy, I am happy to inform you that in most respects we have been able to maintain this policy. It would appear at this time that this policy is being adhered to as far as the Columbia and Missouri Rivers are concerned. The Waterton and Belly Rivers present a situation which does not appear beneficial to Montana. It may be that the International Joint Commission will end in a deadlock. Something has to be done if we are to save a share of this water

for Montana to which it is entitled. Unless we do get our share of these waters by virtue of a decision of the International Joint Commission, I urge that you memorialize Congress to appropriate sufficient money with which to drive an all-American tunnel to capture these waters before they cross the International boundary, in accordance with Bureau of Reclamation plans.

Pursuant to the authorization of the last Legislature and an Act of Congress, we have entered into a proposed compact with the states of Wyoming and North Dakota concerning the distribution of waters in the Yellowstone River. I urge you to carefully study this proposed compact before giving either approval or disapproval of it.

GRASSHOPPER CONTROL INVESTIGATION

Responsible authorities have informed me that we should have a special appropriation to be used for range grasshopper control investigations. While adequate methods are now known for killing grasshoppers, it is felt that the cost of such operations must be ascertained before they can be accurately applied over our vast range areas in this state.

Dr. J. H. Pepper, State Entomologist, states that in order to accomplish this investigation, we should have an appropriation of $8,486 for 1951-52, and $6,736.00 for 1952-53, and I so recommend.

FISH AND GAME

We must inaugurate a program of immediate restoration and development of Fish and Game resources to the fullest extent in this state and I especially invite your attention to any legislation which will aid in bringing this about.

ALCOHOLIC BEVERAGE CONTROL LAWS

The first of the existing statutes of Montana relating to the control of alcoholic beverages was passed at the 1933 Session of the Legislative Assembly in anticipation of repeal of the Prohibition Amendment. In 1937 sale of liquor by licensed retailers was authorized by the Legislature. Amendments and additions to these laws subsequent to their original enactment have made portions of the original statutes obsolete and have caused inconsistencies and conflicts which should not be allowed to continue. I recommend that the present alcoholic beverage control laws be overhauled so that a consistent and understandable body of law relating to that

subject will result, but which will retain the intent and purpose of the original enactments. The resulting legislation must be such as will meet with the approval of the people of this state and must be in substantial conformity with public thinking.

INDUSTRIAL SURVEY

The last Legislature created a Montana Resources Development Board, which expired December 31, 1950, but this Board was handicapped because of lack of an appropriation. I urge that you recreate this Board with a reasonable appropriation because with our great resources, undoubtedly, we can encourage new additional business to come to this state. At the present time, there is no uniformity of information or assistance to those who contemplate coming to this state. Other states have made progress in this direction, having agencies which correspond to the Montana Resources Development Board. In my opinion, the recreation of this Board with an appropriation is one of the most important matters that face us today if we are to make progress in this state, and I ask that you give it the utmost consideration.

RUSSELL MEMORIAL COMMISSION

This commission, thus far, has collected a net sum of $3,791.63 by popular subscription toward placing a statue of Charles M. Russell, Montana's great cowboy artist, in Statuary Hall in Washington, D. C.

It is estimated that it will cost $45,000 to place this statue of Charles M. Russell in Statuary Hall, in conformity with the Act passed by the 1947 Legislative Assembly of Montana. I recommend that you appropriate additional money to that acquired already by the commission so that a statue of Charles M. Russell may be placed in Statuary Hall. It would be a great honor to Montana and this nation to place a statue of this great cowboy artist among those of other dignitaries of this state and nation.

ADULT PROBATION AND PAROLE LAW

Our present laws relating to probation, pardons and paroles are antiquated. In order to bring about justice and true rehabilitation, it is necessary that these laws be amended. Uniform sentences are the exception and not the general rule in Montana. In order to bring our parole system up to date, I recommend that you pass a parole law for the State of Montana which is similar to that passed by other states which is bringing about good results.

HIGHER EDUCATION

A referendum was presented by the 47th Legislative Assembly of Montana to the people of this state for the approval or disapproval of a five million dollar bond issue for the purpose of constructing buildings in the various units of the Greater University System.

This referendum was approved by the people at the General Election in November 1948. The last Legislature passed an act which authorized the State Board of Examiners to issue and sell the bonds.

The Board of Education made a proposed allocation of the funds to the various units of our University System for buildings, as did a majority of the State Board of Examiners. These allocations differed and each Board claims the legal right to make the allocation under our Constitution and Laws.

There is a question of law as to which Board has the authority to make the allocations and because of the controversy between the two Boards, no buildings have been constructed and the matter is before the courts.

The five million dollars has been invested, bringing a substantial amount of interest. There are some who claim that this interest should be added to the five million dollars for the construction of the buildings and there are some who claim that this interest should be used to help retire the debt. Thus, again, a question of law is presented.

The present problem concerning the allocations under the bond issue and the interest is, therefore, one for either you or the courts to solve.

Because of the alleged legal over-lapping between the responsibilities of the Board of Education and the Board of Examiners and the legal controversy as to how the interest should be used, I believe it necessary — not only for the solution of our present higher educational building program, but also for future assurance that similar conflicts will not arise — that you pass appropriate legislation therefor.

Politics, as far as is humanly possible, should be taken out of education. I pledge you my support in this regard, and I ask that in adopting legislation concerning the present building controversy, and in making appropriations for the various units of the Greater University System, that you keep this thought constantly in mind.

CONCLUSION

It is my belief that we are merely servants of the people in running this government and that every officer and appointee should be above reproach in the conduct of his or her office. In accordance with these beliefs, I assure you of my full cooperation in any investigation you may decide to make.

The people of Montana are expecting much of this Legislature and their expectations will end in disappointment unless the executive and legislative branches carry out their respective duties in utmost harmony.

I know that you realize how intensely the people are thinking. It is your duty and my duty to see to it that our actions during this Session of the Legislature meet the approval of the people of Montana.

As I mentioned to you before, we are meeting at a serious time in the history of our state and nation. Honest men must speak up for the truth, whatever be the costs in private, public or political sacrifice. Our forefathers and those who came after them, in founding and preserving this state and nation, risked their lives and fortunes. Only by such a spirit of courage and willingness to sacrifice, can we preserve the heritage so dear to the hearts of all patriotic Americans.

I sincerely hope that your stay in the Capitol City will be pleasant and that by our working together as a team, with the Divine Guidance we seek in all great and important undertakings, we can and will accomplish what the people of the state expect us to accomplish in keeping our governmental and economic house in order.

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